SASKATCHEWAN ARTS BOARD

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2015

PROVINCIAL AUDITOR
of Saskatchewan

INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of the Saskatchewan Arts Board, which comprise the statement of financial position as at March 31, 2015, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Saskatchewan Arts Board as at March 31, 2015, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Judy Ferguson

Regina, Saskatchewan
July 23, 2015

Judy Ferguson, FCPA, FCA
Provincial Auditor

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SASKATCHEWAN ARTS BOARD
STATEMENT OF FINANCIAL POSITION
As at March 31

	2015	2014
Financial Assets		
Cash – operations	$ 2,028,926	$ 1,794,983
Cash – Flexible Loan Program (Note 15)	150,000	143,535
Accounts receivable	18,780	29,599
Loans receivable - Operations (Note 8, 12)	164,771	91,590
Loans receivable - Flexible Loan Program (Note 12, 15)	-	6,465
Investments (Note 10, 11)	1,113,121	5,525,643
Investments – Endowment Fund (Note 10a, 11)	5,000,000	-
	8,475,598	7,591,815
Liabilities		
Accounts payable		
Grants payable	1,504,448	1,057,958
Accrued employee benefits payable	48,032	61,801
Other	502,036	337,477
Unearned revenue		
Permanent collection fees	27,482	21,348
Deferred revenue (Note 19)		
Leasehold inducement	-	1,088
Other	6,358	19,429
Canada Games Legacy	94,000	140,000
	2,182,356	1,639,101
Net financial assets (Statement 3, Note 17)	6,293,242	5,952,714
Non-Financial Assets		
Prepaid expenses	29,151	57,760
Tangible capital assets (Note 14)	383,880	322,866
	413,031	380,626
Accumulated surplus (Statement 2)	$ 6,706,273	$ 6,333,340
Accumulated surplus consists of:		
Operations	$ 1,706,273	$ 6,333,340
Endowment Fund (Note 10a)	5,000,000	-
	$ 6,706,273	$ 6,333,340

Collections (Note 9)

Contingent liabilities (Note 13)

(See accompanying notes to the financial statements)

SASKATCHEWAN ARTS BOARD
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended March 31

	2015	2014
Revenues:		
Transfers from General Revenue Fund	$ 7,158,000	$ 6,955,000
Contribution from SaskCulture Inc.	2,000,000	2,159,000
Program support	113,003	94,510
Permanent collection	68,567	64,372
Project support	107,723	144,881
Donations (Note 9)	41,994	202,075
Investment income	610,798	298,567
Other earned income	19,670	23,783
Sale of Land	-	3,615,550
	10,119,755	13,557,738
Expenses:		
Grants (Note 18)	6,327,649	7,221,597
Transfers and other payments	288,353	193,864
Permanent collection		
Purchases and donations (Note 9)	114,322	270,678
Project expenses	169,838	164,081
Program delivery		
Grants	1,494,231	1,242,617
Permanent collection	347,063	299,066
Operations	802,548	647,470
Communications	202,818	178,645
	9,746,822	10,218,018
Annual surplus/(deficit)	372,933	3,339,720
Accumulated surplus, beginning of the year	6,333,340	2,993,620
Accumulated surplus, end of the year (Statement 1)	$ 6,706,273	$ 6,333,340

(See accompanying notes to the financial statements)

SASKATCHEWAN ARTS BOARD
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
For the Year Ended March 31

	2015 Budget	2015	2014
Net financial assets, beginning of the year	$ 5,952,714	$ 5,952,714	$ 2,529,692
Net operating results for the year	100,500	372,933	3,339,720
Changes in prepaid expenses	-	28,609	(14,393)
Acquisition of tangible capital assets (Note 14)	(100,500)	(155,140)	(9,619)
Amortization (Note 14)	140,000	94,126	107,314
Changes in net financial assets during the year	140,000	340,528	3,423,022
Net financial assets, end of the year (Statement 1)	$ 6,092,714	$ 6,293,242	$ 5,952,714

(See accompanying notes to the financial statements)

SASKATCHEWAN ARTS BOARD
STATEMENT OF CASH FLOWS
For the Year Ended March 31

	2015	2014
Cash flows from operating activities:		
Cash receipts:		
Allocation from General Revenue Fund	$ 7,158,000	$ 6,955,000
Contribution from SaskCulture Inc.	2,000,000	2,159,000
Fees and other	754,763	4,114,187
Other contributions	88,532	56,784
	10,001,295	13,284,971
Cash disbursements:		
Grant and transfer payments	6,093,879	8,454,398
Salaries and benefits	1,792,240	1,549,704
Space and accommodation	300,115	273,355
Supplies and other	762,054	659,558
	8,948,288	10,937,015
Net increase (decrease) in cash from operating activities	1,053,007	2,347,956
Cash flows (used in) from capital activities:		
Additions to tangible capital assets	(158,610)	(5,288)
Net (decrease) in cash from capital activities	(158,610)	(5,288)
Cash flows (used in) from investing activities:		
New loan payments	(100,000)	-
Loan repayments	33,490	78,197
New investments in managed funds	(37,564)	(3,602,986)
Reinvestments in managed funds	(549,915)	(251,581)
Net (decrease) in cash from investing activities	(653,989)	(3,776,370)
Net (decrease) increase in cash for the year	240,408	(1,433,702)
Cash position, beginning of the year	1,938,518	3,372,220
Cash position, end of the year	$ 2,178,926	$ 1,938,518
Cash consists of:		
Cash – operations	$ 2,028,926	$ 1,794,983
Cash – Flexible Loan Program	150,000	143,535
	$ 2,178,926	$ 1,938,518

(See accompanying notes to the financial statements)

SASKATCHEWAN ARTS BOARD
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2015

1. Purpose and Authority

The Saskatchewan Arts Board was established pursuant to *The Arts Board Act.* It has been continued under *The Arts Board Act, 1997* (the Act). It exists to cultivate an environment in which the arts thrive for the benefit of everyone in Saskatchewan. The Act continues the Saskatchewan Arts Board Fund through which all financial transactions are conducted which pertain to fulfilling the purposes of the agency as indicated in the Act.

2. Significant Accounting Policies

These financial statements are prepared in accordance with generally accepted accounting principles as recommended by the Public Sector Accounting Board of Chartered Professional Accountants Canada. These statements do not present a Statement of Remeasurement Gains and Losses as it is not practical to determine the unrealized portion of investment income relating to its managed funds investments. As a result, all income attributable to its managed funds investments is recorded in Investment income on the Statement of Operations and Accumulated Surplus. The significant policies are as follows:

a) Collections

The Board maintains a collection of artworks and related archives in all forms in order to inform, enlighten, and enhance the lives of present and future generations. Works in the collection are acquired through purchase, commission, donation, or bequest.

i) Permanent collection purchases are charged at cost as an expense in the Statement of Operations and Accumulated Surplus in the year of purchase.

ii) Donated works of art and archives for the permanent collection are recorded as revenue at their fair market value at the time of donation with a corresponding charge to expenses in the Statement of Operations and Accumulated Surplus.

iii) Musical instrument purchases are charged at cost as an expense in the Statement of Operations and Accumulated Surplus in the year of purchase.

b) Tangible Capital Assets

Leasehold improvements, equipment, and furnishings are recorded at cost less accumulated amortization. The net book value of these capital assets is detailed in Note 14. Tangible capital assets are amortized on a straight-line basis over their estimated useful lives which are as follows:

Electronic equipment	4 years
Other equipment	6 years
Furnishings	10 years
Leasehold improvements	Life of the lease

Tangible capital and other non-financial assets are accounted for as assets by the Board because they can be used to provide Board services in future periods. These assets do not normally provide resources to discharge the liabilities of the Board unless they are sold.

c) Designated Assets

Internally - the Board periodically designates amounts from cash to be allocated for specified purposes. In designating these amounts, the Board takes into account the amounts and stated preferences of contributors. These amounts are not available for other purposes without approval of the Board.

Externally - the Board may receive cash with the stipulation it be used for specific purposes. These amounts are available only for the purposes stipulated by the contributor.

d) Grant expenses

Grants are expensed when approved by the Board, the applicant has met the eligibility criteria, and the amount of the grant can be estimated.

e) Cash

Cash consists of interest-bearing money on deposit with the bank. The interest rate during the year was 0.85% to 1.000% (2014 – 1.000%).

f) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles for Public Sector requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Assumptions underlying asset valuations are limited by the availability of reliable comparable data and the uncertainty of predictions concerning future events. The inherent uncertainty involved in making such estimates and assumptions may impact the actual results reported in future periods. Differences are recorded in current operations when identified.

The primary measurement uncertainty arising from the use of estimates which may affect reported amounts relates to the values of loans receivable, accounts receivable, and tangible capital assets.

g) Revenues

Revenues are recognized as they are earned and measurable.

Government transfers are recognized in the financial statements in the period in which the events giving rise to the transfer occur, eligibility criteria are met, and reasonable estimates of the amount can be made.

Deferred revenue represents user charges and other fees which have been collected, for which the related services have yet to be provided. These amounts will be recognized as revenue in the fiscal year the services are provided.

h) Investments

Through the Saskatoon Community Foundation (SCF), the Board has invested in managed funds which are an assortment of pooled funds including Canadian Equity Income & Growth Fund, US Equity Fund, International Equity Fund, Fixed Income Fund, and a Short-term Money Market Fund. Such funds are valued as follows. The value of the Short-term Money Market Fund is based on cost. The cost of Short-term Money Market Fund plus accrued interest approximates its market value. Canadian Equity Income & Growth Fund, US Equity Fund, International Equity Fund, and Fixed Income Fund are valued at closing bid price.

3. Pension Plan

Employees make contributions to the Public Employees' Pension Plan, a defined contribution plan. Funding requirements are established by *The Superannuation (Supplementary Provisions) Act*. During the year, the employee contribution rate remained at 6.25% and the employer contribution rate also remained at 7.25% for in-scope employees. The out-of-scope employee contribution rate remained at 6% and employer contribution rate increased from 7.25% to 7.50% starting April 2014. This plan is fully funded. During the year the Board's total contributions were $106,904 (2014 - $90,828) and are included in Salaries and benefits in Note 7.

4. Fair value of Financial Instruments

The Board's significant financial instruments consist of cash, managed funds accounts receivable, loans receivable and accounts payable. The fair value of the loans receivable is not readily determinable due to the nature of the loans as described in Note 8 and Note 15. As described in Note 2h), the investments in managed funds are carried at fair value. The fair values of the other financial instruments approximate their carrying value due to their short-term nature.

The investment in managed funds are classified using a hierarchy that reflects the significance of the inputs used in determining their measurements.

Under the classification structure, financial instruments recorded at unadjusted quoted prices in active markets for identical assets and liabilities are classified as Level 1. Instruments valued using inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly are classified as Level 2. Instruments valued using inputs that are not based on observable market data are classified as Level 3.

The following table classifies the managed funds' financial instruments within this fair value hierarchy:

2015:

Pooled Funds	Level 1	Level 2	Level 3	Total
Money Market Fund	$ 0	$ 305,656	$ 0	$ 305,656
Fixed Income Fund		2,475,814		2,475,814
Equity Funds		3,331,651		3,331,651
Total	$ 0	$ 6,113,121	$ 0	$ 6,113,121

2014:

Pooled Funds	Level 1	Level 2	Level 3	Total
Money Market Fund	$ 0	$ 276,282	$ 0	$ 276,282
Fixed Income Fund		2,210,257		2,210,257
Equity Funds		3,039,104		3,039,104
Total	$ 0	$ 5,525,643	$ 0	$ 5,525,643

5. Assessment Services

The Board has entered into agreements with several organizations to provide assessment and program delivery services on their behalf. In cases where the grant amounts recommended are paid directly by the partner organization the grant amounts are not reported in these financial statements. During 2015 the Board convened juries leading to the recommendation of 47 grants to be paid by partner organizations (2014 – 129 grants).

Fees earned by the Board for assessment services are recorded as revenues. During 2015 the following assessment fees were recognized:

Client	2015	2014
SaskCulture	$ 150,000	$ 190,000
Parks, Culture and Sport (COGO)	20,000	18,130
Access Copyright Foundation (ACF)	29,285	26,667
Creative Saskatchewan	-	44,000
	$ 199,285	$ 278,797

6. Contractual Obligations

Operating lease

The Board leases office space in Regina & Saskatoon and storage space for its permanent collection in Regina. The future minimum lease payments are:

Fiscal Year	Operating Leases
2015/16	126,016
2016/17	126,016
2017/18	126,016
2018/19	126,016
2019/20	126,016

7. Comparison of Planned and Actual Results by Object

	2015 Budget	2015 Actual	2014 Actual
Revenues			
General Revenue Fund	$ 7,158,000	$ 7,158,000	$ 6,955,000
SaskCulture Inc.	2,000,000	2,000,000	2,159,000
Other	870,235	961,755	4,443,738
Total Revenues	10,028,235	10,119,755	13,557,738
Expenses			
Grants and transfers	6,667,097	6,616,002	7,415,461
Permanent Collection			
Acquisitions	119,580	114,322	270,678
Programming	46,000	15,158	8,596
Projects	152,575	169,838	164,081
Operations			
Salaries and benefits	1,900,000	2,010,968	1,572,856
Office and administration	393,583	337,200	347,756
Furniture and equipment	207,000	163,447	176,700
Programs and services	127,500	107,204	127,540
Travel and meetings	128,000	135,213	72,395
Communications	186,400	77,470	61,955
Total expenses	9,927,735	9,746,822	10,218,018
Net operating results	100,500	372,933	3,339,720

The original budget for the 2014/15 year was approved by the Board on April 24, 2014.

8. Loans Receivable- operations

In 2002 and 2004, the Board entered into two loan agreements with a non-profit organization for the total amount of $265,000. The interest rate on these loans was set at prime less two percent. In 2006, the terms of repayment were amended to restructure and extend the repayment timeline. The first loan has now been paid in full. In 2012, the Board entered into a loan agreement for $60,000 with an interest rate of 1% and this has been completely paid off. During the year, the Board entered into another loan agreement for $100,000 at an interest rate of 1%. It was agreed that interest will be accrued but the principal repayment for this loan would not begin until December 31, 2019, at which date the interest would be re-evaluated. Future payments to the Board, pursuant to these agreements, are as follows:

Fiscal Year	Principal Repayment
2015/16	6,000
2016/17	6,000
2017/18 & beyond	152,771
	$ 164,771

9. Collections

	2015	2014
Art	$ 2,703,068	$ 2,588,746
Archives	27,470	27,470
Permanent Collections	$ 2,730,538	$ 2,616,216
Musical Instruments	-	$ 46,575

During the year the Board purchased art objects totaling $72,422 (2014 - $68,603) for the permanent collection. In addition, art objects valued at $41,994 (2014 - $202,075) were donated to the collection. In January 2002, the permanent collection was appraised by members of the Professional Art Dealers Association of Canada and assigned a value of $2,903,173 on the basis of market value. In 2015, 397 objects (2014-0 objects) were appraised at a value of $914,355 (2014-$0). The appraised value of the collection has been revised to $5,332,617 (2014-$4,894,790). The remaining objects in the collection will be appraised in due course.

10. Investments

In 2007, the Board entered into a Managed Fund agreement with the SCF to maintain funds consigned by the Board for specified purposes. Expenditures incurred by the Board in relation to these purposes out of operating funds have been identified and are included as part of the undesignated portion of the Investment Funds balance.

The total funds on hand are pooled by the Foundation with other participants' assets and invested through a fund manager. Rates of return are declared by the Foundation each quarter and applied to funds on hand as of the beginning of the quarter. During the year, the Board consigned $37,564 (2014-$3,602,986) to the Investment Fund.

a) Endowment Fund

During March 2015, in accordance with the *Arts Board Act, 1997*, Article 26, the Board of Directors established an endowment fund of $5,000,000 designated for the benefit of arts and artists in Saskatchewan. The Board stipulated that only interest received from the Endowment Fund is to be allocated to initiatives in support of the arts in Saskatchewan.

	Balance as at March 31, 2014	Net change to capital	Earnings	Fees	Balance as at March 31, 2015
Externally Designated Assets:					
Canada Games Legacy	$ 196,000	$ (52,157)	$ 17,002	$ 845	$ 160,000
Prince Edward Drama Scholarship	39,182	-	4,080	200	43,062
	235,182	(52,157)	21,082	1,045	203,062
Internally Designated Assets	399,838	(44,571)	39,091	1,933	392,425
Endowment Fund	-	5,000,000	-	-	5,000,000
Total designated assets	635,020	4,903,272	60,173	2,978	5,595,487
Non-Designated Assets	4,890,623	(4,865,708)	518,207	25,488	517,634
Total	$ 5,525,643	$ 37,564	$ 578,380	$ 28,466	$ 6,113,121

11. Investment Performance

The Board's managed funds are represented by the amounts held by SCF (see Note 2h). The following is a summary of the investment performance:

	2015	Four year annualized return
Actual (a)	11.0%	8.1%
Benchmark (b)	10.6%	7.3%

(a) The annual returns are before deducting investment expenses.
(b) The benchmark return is the Board's target rate of return for its investments. The benchmark return is based on the performance of the Board's planned investment portfolio.

The managed funds are invested based on the Investment Policy agreed upon with SCF. The Board pays investment management fees to SCF for providing this service.

12. Financial Risk Management

The nature of the Board's operations result in a statement of financial position that consists primarily of financial instruments. The risks that arise are credit risk, liquidity risk, market risk (consisting of interest rate risk, foreign exchange risk and equity price risk).

Significant financial risks are related to the Board's managed funds. These financial risks are managed by having an Investment Policy that provides guidelines to the Board's fund manager for the asset mix of the portfolio regarding quality and quantity of fixed income and equity investments. The asset mix helps to reduce the impact of market value fluctuations by requiring investments in different asset classes and in domestic and foreign markets. The Board reviews regular compliance reports from its fund manager as to its compliance with the Investment Policy.

a) Credit risk

Credit risk is the risk a party owing money to the Board will fail to discharge that responsibility. The Board is exposed to credit risk from the potential non-payment of accounts and loans receivable. Loans receivable – operations are secured against future grant allocations. Therefore, the credit risk is minimal. All Loans receivable - Flexible Loan Program have been paid and there are none outstanding. An allowance for doubtful accounts has been recorded to cover any risks associated with any of the financial instruments.

Credit risk within investments in managed funds is primarily related to fixed income pooled funds. It is managed through the Investment Policy of the SCF that limits these fixed term investments to those of high credit quality (BBB is the minimum rating for bonds and mortgages; and the short-term investments include Canada 91 Day Treasury Bills, Bankers Acceptance & Floating Rate Notes). The maximum credit risk the managed funds is exposed to at March 31, 2015 is limited to $2.8 million (2014 - $2.5 million) which represents investment in the money market and fixed income funds.

b) Liquidity risk

Liquidity risk is the risk that the Board will encounter in meeting obligations associated with financial liabilities. The Board is exposed to low liquidity risk. This is managed through prudent financial management and oversight.

c) Market risk

Market risk is the risk that arises from changes in the value of financial instruments. Values can be affected by changes in interest rates, foreign exchange rates and equity prices. Market risk primarily impacts the value of the managed funds.

Interest rate risk

Managed funds is exposed to changes in interest rates in its fixed income investments. Duration is a measure used to estimate the extent market values of fixed income instruments change with changes in interest rates. Using this measure, it is estimated that an increase of 100 basis points in interest rates would decrease net assets by $0.15 million, representing 6% of the $2.5 million fair value of fixed income investments.

Foreign exchange

Managed funds is exposed to changes in the US dollar exchange through its US Equity Fund. Also, it is exposed to non-North American currencies through its International Equity Fund. As at March 31, 2015, the managed funds' exposure to US equities was 9.6% (2014 – 9.6%) and its exposure to non-North American equities was 9.4% (2014 – 9.6%).

Equity prices

Managed Funds is exposed to changes in equity prices in Canadian, US, and non-North American markets through its equity investments. Equities comprise 54.5% (2014 – 55.0%) of the carrying value of the managed funds. Investment Policy of the SCF limits the investment in equities to no more than 10% in any one company.

13. Contingent Liabilities

The Arts Board has been named as a co-defendant in two claims that have been served prior to 2014. As at March 31, 2015, the likelihood of resolution of these claims against the Arts Board is not determinable.

14. Tangible Capital Assets

	Leasehold improvements	Furnishings	Other equipment	Electronic Equipment	2015 Total	2014 Total
Opening costs of tangible capital assets	$ 772,782	$ 216,162	$ 63,727	$ 560,128	$ 1,612,799	$ 1,603,180
Additions during year	--	31,727	3,253	120,160	155,140	9,619
Disposals during year	--	--	--	--	--	--
Closing costs of tangible capital assets	772,782	247,889	66,980	680,288	1,767,939	1,612,799
Opening accumulated amortization	546,955	172,956	63,582	506,440	1,289,933	1,182,619
Annual amortization	49,967	7,315	406	36,438	94,126	107,314
Disposals during year	--	--	--	--	--	--
Closing accumulated amortization	596,922	180,271	63,988	542,878	1,384,059	1,289,933
Net book value of tangible capital assets	$ 175,860	$ 67,618	$ 2,992	$ 137,410	$ 383,880	$ 322,866

15. Flexible Loan Program

In 2008, Order-in-Council 817/2007 provided for additional funding to the Saskatchewan Arts Board, including $1,150,000 for the establishment of a loan program in support of Creative Industries. The purpose of this program is to provide recoupable low-interest loans to support individual artists, arts businesses and arts organizations in developing new business opportunities or expanding existing opportunities to ensure the creation, production, promotion and dissemination of high quality and authentic cultural products.

In 2013, the Board entered into an agreement with the Ministry of Parks, Culture and Sport to repurpose $1,000,000 from the Flexible Loan Program for disbursement as grants to support creative industry projects through the Creative Industries Transition Fund, a program established for this purpose. The effective date of the agreement was April 1, 2013.

	2015	2014
Opening Cash balance	$ 143,535	$ 1,197,600
Proceeds		
Principal repayments	6,465	30,222
Interest on loans	--	760
Interest accrued on balance	--	2,957
Total proceeds	6,465	33,939
Disbursements		
Loans issued	--	--
Other costs	--	--
Creative Industries Transition Fund	--	1,000,000
Total Disbursements	--	1,000,000
Transfer to Cash - Operations	--	88,004
Closing Cash Balance	150,000	143,535
Loans receivable	--	6,465
Closing balance, Flexible Loan Program	$ 150,000	$ 150,000

There are no future payments to the Board under the Flexible Loan Program.

16. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, ministries, agencies, boards and commissions related to the Board by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control or significant influence by the Government of Saskatchewan (collectively referred to as "related parties"). Routine operating transactions with related parties are recorded at agreed upon exchange amounts and settled under normal trade terms. Those transactions and amounts outstanding at year-end are as follows:

	2015	2014
Revenues		
General Revenue Fund	$ 7,158,000	$ 6,955,000
Creative Saskatchewan	12,000	58,091
Ministry of Education	49,500	46,000
Ministry of Parks, Culture & Sport	2,300	60
Tourism Saskatchewan	1,500	1,500
Other - Permanent Collection fees	24,564	28,236
Expenses		
Conexus Arts Centre	44,097	58,312
Ministry of Central Services	35,876	36,099
Sask Energy	2,389	3,515
Sask Power	9,874	11,886
SaskTel	36,219	35,388
Saskatchewan Workers Compensation Board	12,893	15,802
	$ 141,348	$ 161,002

In addition, the Board pays provincial sales tax to the Ministry of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Other transactions with related parties and amounts due to/from them and the terms of settlement are described separately in these financial statements and the notes thereto.

17. Net Financial Assets

The following Net Financial Assets are designated by the Board as at March 31st:

	2015	2014
Designated:		
Flexible Loan Program (Note 15)	$ 150,000	$ 150,000
Culture on the Go	58,356	178,356
Managed Funds (Note 10, 10a)	5,595,487	635,020
	5,803,843	963,376
Undesignated		
Managed funds (Note 10) and other	489,399	4,989,338
Net Financial Assets	$ 6,293,242	$ 5,952,714

18. Grants

	2015	2014
Organizations		
Professional Arts Organizations	$ 3,641,940	$ 3,916,885
Creative Industries Transition Fund	-	343,079
Festivals	842,125	890,792
Artists		
Independent artists	675,000	675,000
Indigenous Pathway Initiative	200,000	200,000
Scholarships	25,000	25,000
Projects		
Culture on the Go	300,000	281,870
Creative Partnerships	495,000	665,000
ArtsSmarts	300,000	254,434
Grants returned	(151,416)	(30,463)
	$ 6,327,649	$ 7,221,597

19. Deferred & Unearned Revenue

In 2010, the Board received a leasehold inducement in the amount of $65,274. This inducement is to be amortized over the length of the lease. During the year, $1,088 (2014-$13,055) was recorded as revenue.

During 2007, the Board received $340,000 from Sask Sport Inc. to operate three specified programs over a ten-year period beginning April 1, 2007, using funds made available for this purpose from proceeds of the 2005 Canada Summer Games designated for Cultural legacy initiatives. During the year, $46,000 (2014-$46,000) was recorded as revenue. Other deferred revenue recorded on the Statement of Financial Position comprises payments pertaining to subsequent periods for the rental of art objects from the Permanent Collection and donations toward the Michele Sereda Fund.

20. Collective Bargaining Agreement

In 2014, the Arts Board & SGEU local 2288 concluded a collective bargaining agreement for the period October 1, 2012 – September 30, 2016.

21. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation.